

IN THE SPECIFICATION

Please amend the specification as follows:

Page 4, line 18, delete "gearing" and insert therefor --leveraging--;

Page 4, line 21, delete "gearing" and insert therefor --leveraging--;

Page 4, line 24, delete "gearing" and insert therefor --leveraging--;

Page 4, line 30, delete "gearing" and insert therefor --leveraging--;

Page 5, line 21, delete "geared" and insert therefor --leveraged--;

Page 5, line 23, delete "gearing" and insert therefor --leveraging--;

Page 5, line 33, delete "gearing" and insert therefor --leveraging--;

Page 6, line 9, delete "gearing" and insert therefor --leveraging--;

Page 6, line 20, before "Best Mode of the Invention", insert the following:

--Brief Description of the Drawings

An example of the invention will now be described with reference to the accompanying drawings, in which:

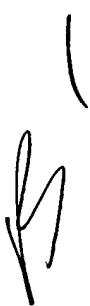
FIGURE 1 illustrates a block diagram of a contract exchange according to one embodiment of the current invention;

FIGURE 2 illustrates a flow diagram showing the steps required to be taken to create trade and close contracts in this embodiment; and

FIGURE 3 illustrates a flow diagram showing the steps taken by the clearing house to act on open contracts in different circumstances.

Description of the Reference Numerals

- 10 contract exchange;
- 12 a central clearing house computer;
- 13 a cash depositing facility;
- 14 a computer base cash management fund;
- 15 an automated real time screen trading system;

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- 16 personal computers;
 - 17 telephone lines;
 - 18 indivisible financial package contracts; (see 107 in Figure 2)
 - 19 a buyer; and
 - 20 a seller
 - 100 Step of transferring cleared cash;
 - 101 step of electronically sending order to exchange;
 - 102 step of receiving cash at bank;
 - 103 step of assigning funds electronically to clearing house surplus account;
 - 104 step of requiring a clearing house margin;
 - 105 step of checking order for available cash;
 - 106 step of confirming order;
 - 107 step of obtaining contracts;
 - 108 step of confirming trades;
 - 109 step of clearing house acting on open contracts (see Figure 3);
 - 110 step of investor inactive;
 - 111 step of settling at termination date;
 - 112 step of investor closing out position;
 - 113 step of novating contracts;
 - 114 step of closing contracts;
 - 115 cash settlement;
 - 200 step of clearing house acting on all open contracts (see 109 in Figure 2);
 - 201 step of assign funds being deficient at last sell price;
 - 202 step of clearing house acting in the market
 - 203 step of novating the contract
 - 204 step of not succeeding in the market;

- 205 step of exempt closing crossing when assign fund 0;
 206 step of counterparting and entering market at perimeter;
 207 step of no assigned funds deficiency at perimeter;
 208 step of no party position being closed out;
 209 step of assigned funds deficiency of party at perimeter;
 210 step of clearing house acting;
 211 step of exempt market crossing;
 212 step of surplus at last sale price above any initial surplus;
 213 step of building up contract numbers trading method;
 214 step of clearing house acting when surplus deficient;
 215 step of contracts being opened;
 216 step of contracts being novated;
 218 step of surplus at last sale being below initial surplus but above
 required assigned funds;
 219 step of surplus accumulating trading method;
 220 step of cash settlement.--

Page 6, line 20 after "Best Mode of the Invention", insert the following:

--Referring now to FIGURE 1, there is illustrated a contract exchange 10 which comprises a central clearing house computer 12. A cash depositing facility 13 including a computer based cash management fund 14 is electronically linked to a central clearing house computer 12. An automated real time trading system 15 is operated by investors using personal computers 16 linked by telephone lines 17 to the central clearing house computer 12. Contract exchange 10 creates, trades, and closes indivisible financial package contract 18 each of which have two parties, a buyer 19 and a seller 20. The buyer and seller are the beneficial owners of the proceeds of a binding obligation required requiring a cash settlement based on a settlement price of a specific quantity of a specified type of

product at an agreed price, place and time. There after the price of the contracts is determined by market forces.--

Page 6, line 23, after "trust" insert --13--;

Page 6, line 24, after "house" insert --12--;

Page 6, line 27, after "account" insert --14--;

Page 6, line 28, after "Exchange" insert --10--;

Page 6, line 29, after "Rules." insert --Referring now to FIGURE 2, there is illustrated the

steps required to create trade and close contracts.--

Page 6, line 32, after "cleared" insert --100--;

Page 6, line 32, after "his" insert --102--;

Page 6, line 32, after "account" insert --14--;

Page 7, line 5, after "out" insert --103--;

Page 7, line 7, after "order" insert --101--;

Page 7, line 15, after "accept" insert --106--;

Page 7, line 18, after "accounts" insert --105--;

Page 7, line 21, after "funds" insert --104--;

Page 7, line 28, after "out" insert --115, 220--;

Page 7, line 29, after "contract" insert --111--;

Page 7, line 31, delete "gearing" and insert therefor --leveraging--;

Page 8, line 3, after "agent" insert --109, 200--;

Page 8, line 4, after "activities." insert --Referring now to FIGURE 3, there is illustrated

the steps taken by the clearing house to act on open contracts in different circumstances.--

Page 8, line 7, delete "gearing" and insert therefor --leveraging--;

Page 8, line 7, after "ratio" insert --201--;

Page 8, line 9, after "contracts" insert --202--;

Page 8, line 11, after "novate" insert --203--;

Page 8, line 11, after "or" insert --204--;

Page 8, line 16, after "increasing" insert --213--;

Page 8, line 18, after "surplus" insert --212--;
 Page 8, line 23, after "orders" insert --106--;
 Page 8, line 28, after the first occurrence of "Crossing" insert --211--;
 Page 8, line 28, after the second occurrence of "Crossing" insert --205--;
 Page 9, line 2, after "change" insert --206, 207, 208--;
 Page 9, line 5, after "Crossings" insert --211--;
 Page 9, line 10, after "contracts" insert --213--;
 Page 9, line 19, after "dispose" insert --202--;
 Page 9, line 21, after "funds" insert --209--;
 Page 9, line 23, after "parameters" insert --206--;
 Page 9, line 24, after "closes" insert --210--;
 Page 9, line 25, after "Crossing" insert --211--;
 Page 9, line 30, after "Crossing" insert --211--;
 Page 10, line 2, after "Crossing" insert --211--;
 Page 10, line 4, after "market" insert --112--;
 Page 10, line 13, after "market" insert --202, 210--;
 Page 10, line 14, after "novate" insert --203--;
 Page 10, line 15, after "market" insert --211--;
 Page 10, line 18, delete "geared" and insert therefor --leveraged--;
 Page 10, line 23, delete "gearing" and insert therefor --leveraging--;
 Page 10, line 26, after "Crossing" insert --205--;
 Page 10, line 36, after "Crossing" insert --205--;
 Page 11, line 12, after "delivery" insert --111, 115, 220--;
 Page 11, line 16, after the second occurrence of "time" insert --110, 111--;
 Page 13, line 26, delete the first occurrence of "gearing" and insert therefor
 --leveraging--;
 Page 13, line 26, delete the second occurrence of "gearing" and insert therefor --
 leveraging--;

Page 14, line 1, after the first occurrence of "funds" insert --219--;

Page 14, line 2, after "contracts" insert --213--;

Page 14, line 17, after "fractions)" --insert 218--;

Page 14, line 20, delete "simply" and insert therefor --,--;

Page 14, line 28, after "funds" insert --219--;

Page 14, line 31, after "contracts" insert --213--;

Page 15, line 16, after "order" insert --105--;

Page 15, line 18, after "transferred" insert --103, 104--;

Page 18, line 6, after "contract" insert --18--;

Page 18, line 6, "originated" insert --107--;

Page 18, line 8, after "traded" insert --108--;

Page 18, line 35, after "position" insert --112--;

Page 19, line 6, after "conditions" insert --109, 200--;

Page 19, line 15, delete "Gearing" and insert therefor --Leveraging--;

Page 19, line 20, delete "geared" and insert therefor --leveraged--;

Page 20, line 6, after "Crossings" insert --205--;

Page 20, line 17, after "contract" insert --204--;

Page 20, line 24, after "novate" insert --203--;

Page 20, line 26, after "B" insert --201--;

Page 20, line 29, after "Crossing" insert --211--;

Page 20, line 31, after "opportunity" insert --204--;

Page 21, line 1, after "Crossing" insert --205--;

Page 21, line 8, delete "gearing" and insert therefor --leveraging--;

Page 21, line 26, after "Crossing" insert --205--;

Page 21, line 29, after "contract" insert --204--;

Page 21, line 35, after "Crossing" insert --205--;

Page 22, line 9, after "novate" insert --203--;

Page 22, line 11, after "S" insert --201--;

Page 22, line 14, after "Crossing" insert --211--;

Page 22, line 16, after "opportunity" insert --204--;

Page 22, line 22, after "Crossing" insert --205--;

Page 23, line 24, after "Crossings" insert --211--;

Page 23, line 27, after "zero" insert --205--;

Page 24, line 7, delete "Gearing" and insert therefor --Leveraging--;

Page 24, line 8, delete "gearing" and insert therefor --leveraging--;

Page 24, line 8, delete "(leverage)" and insert therefor --(gearing)--;

Page 24, line 10 delete "gearing" and insert therefor --leveraging--;

Page 24, line 12 delete "gearing" and insert therefor --leveraging--;

Page 24, line 15 delete "gearing" and insert therefor --leveraging--;

Page 24, line 21, delete the first occurrence of "gearing" and insert therefor
--leveraging--;

Page 24, line 21, delete the second occurrence of "Gearing" and insert therefor --
Leveraging--;

Page 24, line 25, delete "gearing" and insert therefor --leveraging--;

Page 24, line 27, delete "Gearing" and insert therefor --Leveraging--;

Page 28, Example 1, in the next to last sentence, delete "gearing" and insert therefor --
leveraging--;

Page 33, Example 6, in the first sentence, delete "geared" and insert therefor
--leveraged--;

Page 34, Example 7, in the first sentence, delete "geared" and insert therefor
--leveraged--;

Page 36, Example 9, in the first sentence, delete "geared" and insert therefor
--leveraged--;

Page 37, Example 10, in the first sentence, delete "geared" and insert therefor --
leveraged--;